



# House of Representatives

## File No. 908

General Assembly

January Session, 2015

**(Reprint of File No. 171)**

Substitute House Bill No. 6767  
As Amended by House Amendment  
Schedule "A"

Approved by the Legislative Commissioner  
May 28, 2015

### **AN ACT CONCERNING PRIVATE OCCUPATIONAL SCHOOLS.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 10a-22b of the general statutes is repealed and the  
2 following is substituted in lieu thereof (*Effective July 1, 2015*):

3 (a) No person, board, association, partnership, corporation, limited  
4 liability company or other entity shall offer instruction in any form or  
5 manner in any trade or in any industrial, commercial, service,  
6 professional or other occupation unless such person, board,  
7 association, partnership, corporation, limited liability company or  
8 other entity first receives from the executive director a certificate  
9 authorizing the occupational instruction to be offered.

10 (b) Except for initial authorizations, the executive director shall  
11 accept institutional accreditation by an accrediting agency recognized  
12 by the United States Department of Education, in satisfaction of the  
13 requirements of this section and section 10a-22d, as amended by this  
14 act, including the evaluation and attendance requirement, unless the  
15 executive director finds reasonable cause not to rely upon such

16 accreditation.

17 (c) Each person, board, association, partnership, corporation, limited  
18 liability company or other entity which seeks to offer occupational  
19 instruction shall submit to the executive director, or the executive  
20 director's designee, in such manner as the executive director, or the  
21 executive director's designee, prescribes, an application for a certificate  
22 of authorization which includes, but need not be limited to, (1) the  
23 proposed name of the school; (2) ownership and organization of the  
24 school including the names and addresses of all principals, officers,  
25 members and directors; (3) names and addresses of all stockholders of  
26 the school, except for applicants which are listed on a national  
27 securities exchange; (4) addresses of any building or premises on  
28 which the school will be located; (5) description of the occupational  
29 instruction to be offered; (6) the proposed student enrollment  
30 agreement, which includes for each program of occupational  
31 instruction offered a description, in plain language, of any  
32 requirements for employment in such occupation or barriers to such  
33 employment pursuant to state law or regulations; (7) the proposed  
34 school catalog, which includes for each program of occupational  
35 instruction offered a description of any requirements for employment  
36 in such occupation or barriers to such employment pursuant to state  
37 law or regulations; (8) financial statements detailing the financial  
38 condition of the school pursuant to subsection (d) of this section and  
39 subsection (g) of section 10a-22d prepared by management and  
40 reviewed or audited by an independent licensed certified public  
41 accountant or independent licensed public accountant; and (9) an  
42 agent for service of process. Each application for initial authorization  
43 shall be accompanied by a nonrefundable application fee made  
44 payable to the private occupational school student protection account  
45 in the amount of two thousand dollars for the private occupational  
46 school and two hundred dollars for each branch of a private  
47 occupational school in this state.

48 (d) Each person, board, association, partnership, corporation,  
49 limited liability company or other entity seeking to offer occupational

50 instruction shall have a net worth consisting of sufficient liquid assets  
51 or produce other evidence of fiscal soundness to demonstrate the  
52 ability of the proposed private occupational school to operate, achieve  
53 all of its objectives and meet all of its obligations, including those  
54 concerning staff, [and] students and rent or mortgage payments,  
55 during the period of time for which the authorization is sought.

56 (e) Upon receipt of a complete application pursuant to subsection (c)  
57 of this section, the executive director shall cause to be conducted an  
58 evaluation of the applicant school. Not later than sixty days (1) after  
59 receipt of a complete application for initial authorization, or (2) prior to  
60 expiration of the authorization of a private occupational school  
61 applying to renew its certificate of authorization pursuant to section  
62 10a-22d, as amended by this act, the executive director or a designee of  
63 the executive director shall appoint an evaluation team pursuant to  
64 subsection (f) of this section. Thereafter, the executive director shall  
65 [advise] notify the applicant of authorization or nonauthorization not  
66 later than one hundred twenty days following the completed  
67 appointment of [an] such evaluation team. [pursuant to subsection (e)  
68 of this section.] The executive director may consult with the Labor  
69 Department and may request the advice of any other state agency  
70 which may be of assistance in making a determination. In the event of  
71 nonauthorization, [by] the executive director [, he] shall set forth the  
72 reasons therefor in writing and the applicant school may request in  
73 writing a hearing before the executive director. Such hearing shall be  
74 held in accordance with the provisions of chapter 54.

75 (f) For purposes of an evaluation of an applicant school, the  
76 executive director, or the executive director's designee, shall appoint  
77 an evaluation team which shall include (1) at least two members  
78 representing the Office of Higher Education, and (2) at least one  
79 member for each of the areas of occupational instruction for which  
80 authorization is sought who shall be experienced in such occupation.  
81 The applicant school shall have the right to challenge any proposed  
82 member of the evaluation team for good cause shown. A written  
83 challenge shall be filed with the executive director within ten business

84 days following the appointment of such evaluation team. In the event  
85 of a challenge, a decision shall be made thereon by the executive  
86 director within ten business days from the date such challenge is filed,  
87 and if the challenge is upheld the executive director shall appoint a  
88 replacement. Employees of the state or any political subdivision of the  
89 state may be members of evaluation teams. The executive director, or  
90 the executive director's designee, shall not appoint any person to an  
91 evaluation team unless the executive director, or such designee, has  
92 received from such person a statement that the person has no interest  
93 which is in conflict with the proper discharge of the duties of  
94 evaluation team members as described in this section. The statement  
95 shall be on a form prescribed by the executive director and shall be  
96 signed under penalty of false statement. [Members of the evaluation  
97 team shall serve without compensation.] Except for any member of the  
98 evaluation team who is a state employee, members may be  
99 compensated for their service at the discretion of the executive director  
100 and shall be reimbursed for actual expenses, which expenses shall be  
101 charged to and paid by the applicant school.

102 (g) The evaluation team appointed pursuant to subsection (f) of this  
103 section shall: (1) Conduct an on-site inspection; (2) submit a written  
104 report outlining any evidence of noncompliance; (3) give the school  
105 [sixty] thirty days from the date of the report to provide evidence of  
106 compliance; and (4) submit to the executive director a written report  
107 recommending authorization or nonauthorization not later than one  
108 hundred twenty days after the on-site inspection. The evaluation team  
109 shall determine whether (A) the quality and content of each course or  
110 program of instruction, including, but not limited to, residential, on-  
111 line, home study and correspondence, training or study shall  
112 reasonably and adequately achieve the stated objective for which such  
113 course or program is offered; (B) the school has adequate space,  
114 equipment, instructional materials and personnel for the instruction  
115 offered; (C) the qualifications of directors, administrators, supervisors  
116 and instructors shall reasonably and adequately assure that students  
117 receive education consistent with the stated objectives for which a

118 course or program is offered; (D) students and other interested persons  
119 shall be provided with a catalog or similar publication describing the  
120 courses and programs offered, course and program objectives, length  
121 of courses and programs, schedule of tuition, fees and all other charges  
122 and expenses necessary for completion of the course or program, and  
123 termination, withdrawal and refund policies; (E) upon satisfactory  
124 completion of the course or program, each student shall be provided  
125 appropriate educational credentials by the school; (F) adequate records  
126 shall be maintained by the school to show attendance and grades, or  
127 other indicators of student progress, and standards shall be enforced  
128 relating to attendance and student performance; (G) the applicant  
129 school shall be financially sound and capable of fulfilling its  
130 commitments to students; (H) any student housing owned, leased,  
131 rented or otherwise maintained by the applicant school shall be safe  
132 and adequate; and (I) the school and any branch of the school in this  
133 state has a director located at the school or branch who is responsible  
134 for daily oversight of the school's or branch's operations. The  
135 evaluation team may also indicate in its report such recommendations  
136 as may improve the operation of the applicant school.

137 (h) Any hospital offering instruction in any form or manner in any  
138 trade, industrial, commercial, service, professional or other occupation  
139 for any remuneration, consideration, reward or promise, except to  
140 hospital employees, members of the medical staff and training for  
141 contracted workers, shall obtain a certificate of authorization from the  
142 executive director for the occupational instruction offered. Each  
143 hospital-based occupational school submitting an application for initial  
144 authorization shall pay an application fee of two hundred dollars  
145 made payable to the private occupational school student protection  
146 account. The executive director shall develop a process for prioritizing  
147 the authorization of hospital-based occupational schools based on size  
148 and scope of occupational instruction offered. Such schools shall be in  
149 compliance with this section when required pursuant to the executive  
150 director's process, or by 2012, whichever is earlier.

151 (i) Any program, school or other entity offering instruction in any

152 form or manner in barbering or hairdressing for any remuneration,  
153 consideration, reward or promise shall obtain a certificate of  
154 authorization from the executive director of the Office of Higher  
155 Education for the occupational instruction offered. Each program,  
156 school or entity approved on or before July 1, 2013, by the Connecticut  
157 Examining Board for Barbers, Hairdressers and Cosmeticians pursuant  
158 to chapter 368 or 387 that submits an application for initial  
159 authorization shall pay an application fee of five hundred dollars  
160 made payable to the private occupational school student protection  
161 account. The executive director of the Office of Higher Education shall  
162 develop a process for prioritizing the authorization of such barber and  
163 hairdressing programs, schools and entities. Such programs, schools  
164 and entities shall be in compliance with this section on or before July 1,  
165 2015, or when required pursuant to the executive director's process,  
166 whichever is earlier. No person, board, association, partnership  
167 corporation, limited liability company or other entity shall establish a  
168 new program, school or other entity that offers instruction in any form  
169 or manner in barbering or hairdressing on or after July 1, 2013, unless  
170 such person, board, association, partnership, corporation, limited  
171 liability company or other entity first receives from the executive  
172 director of the Office of Higher Education a certificate authorizing the  
173 barbering or hairdressing occupational instruction to be offered in  
174 accordance with the provisions of this section.

175 Sec. 2. Subsection (c) of section 10a-22d of the general statutes is  
176 repealed and the following is substituted in lieu thereof (*Effective July*  
177 *1, 2015*):

178 (c) Renewal of the certificate of authorization shall be granted only  
179 upon (1) payment of a nonrefundable renewal fee to the Office of  
180 Higher Education in the amount of two hundred dollars for the private  
181 occupational school and two hundred dollars for each branch of a  
182 private occupational school, (2) submission of any reports or audits, as  
183 prescribed by the executive director or the executive director's  
184 designee, concerning the fiscal condition of the private occupational  
185 school or its continuing eligibility to participate in federal student

186 financial aid programs, (3) the filing with the executive director of a  
187 complete application for a renewed certificate of authorization not less  
188 than one hundred twenty days prior to the termination date of the  
189 most recent certificate of authorization, and (4) a determination that  
190 the private occupational school meets all the conditions of its recent  
191 authorization, including, at the discretion of the executive director,  
192 evidence that such school is current on its rent or mortgage  
193 obligations, and the filing of documentation with the executive  
194 director that the private occupational school has a passing financial  
195 ratio score as required by 34 CFR 668, as amended from time to time.

196 Sec. 3. Subsection (a) of section 10a-22g of the general statutes is  
197 repealed and the following is substituted in lieu thereof (*Effective July*  
198 *1, 2015*):

199 (a) A private occupational school which is authorized by the  
200 executive director pursuant to sections 10a-22a to 10a-22o, inclusive, as  
201 amended by this act, and sections 10a-22u to 10a-22w, inclusive, may  
202 request authorization to establish and operate additional classroom  
203 sites or branch schools for the purpose of offering the occupational  
204 instruction authorized by the executive director, provided the  
205 additional classroom site or branch school complies with the  
206 provisions of subsection (b) of this section. Such school shall make  
207 such request for authorization to operate an additional classroom site  
208 or branch school, in the manner and on such forms as prescribed by  
209 the executive director, at least [thirty] sixty days prior to the proposed  
210 establishment of such additional classroom site or branch school.

211 Sec. 4. Section 10a-22a of the general statutes is repealed and the  
212 following is substituted in lieu thereof (*Effective July 1, 2015*):

213 As used in sections 10a-22a to 10a-22y, inclusive:

214 (1) "Private occupational school" means a postsecondary career  
215 school operated by a person, board, association, partnership,  
216 corporation, limited liability company or other entity offering  
217 instruction in any form or manner in any trade, industrial, commercial,

218 service, professional or other occupation for any remuneration,  
219 consideration, reward or promise of whatever nature, including, but  
220 not limited to, a hospital-based occupational school, hairdressing  
221 school and barber school, except "private occupational school" shall  
222 not include (A) instruction offered under public supervision and  
223 control; (B) instruction conducted by a firm or organization solely for  
224 the training of its own employees or members; or (C) instruction  
225 offered by a school authorized by the General Assembly to confer  
226 degrees;

227 (2) "Additional classroom site" means a facility that (A) is  
228 geographically located close to the school or branch that oversees the  
229 site, such that students must utilize services provided at such school or  
230 branch, (B) conducts permanent or temporary educational activities,  
231 and (C) offers courses or full programs of study;

232 (3) "Branch" means a subdivision of a school (A) located at a  
233 different facility and geographical site from the school, except for a site  
234 that is an additional classroom site as determined by the executive  
235 director, or the executive director's designee, and (B) that (i) offers one  
236 or more complete programs leading to a diploma or certificate; (ii)  
237 operates under the school's certificate of operation; (iii) meets the same  
238 conditions of authorization as the school; and (iv) exercises  
239 administrative control and is responsible for its own academic affairs;  
240 [and]

241 (4) "Executive director" means the executive director of the Office of  
242 Higher Education; and

243 (5) "Postsecondary career school" means an institution authorized to  
244 operate educational programs beyond secondary education.

245 Sec. 5. Subsections (h) and (i) of section 10a-22b of the general  
246 statutes are repealed and the following is substituted in lieu thereof  
247 (*Effective July 1, 2015*):

248 (h) Any hospital offering postsecondary career instruction in any



249 form or manner in any trade, industrial, commercial, service,  
250 professional or other occupation for any remuneration, consideration,  
251 reward or promise, except to hospital employees, members of the  
252 medical staff and training for contracted workers, shall obtain a  
253 certificate of authorization from the executive director for the  
254 occupational instruction offered. Each hospital-based occupational  
255 school submitting an application for initial authorization shall pay an  
256 application fee of two hundred dollars made payable to the private  
257 occupational school student protection account. The executive director  
258 shall develop a process for prioritizing the authorization of hospital-  
259 based occupational schools based on size and scope of occupational  
260 instruction offered. Such schools shall be in compliance with this  
261 section when required pursuant to the executive director's process, or  
262 by 2012, whichever is earlier.

263 (i) Any program, school or other entity offering postsecondary  
264 career instruction in any form or manner in barbering or hairdressing  
265 for any remuneration, consideration, reward or promise shall obtain a  
266 certificate of authorization from the executive director of the Office of  
267 Higher Education for the occupational instruction offered. Each  
268 program, school or entity approved on or before July 1, 2013, by the  
269 Connecticut Examining Board for Barbers, Hairdressers and  
270 Cosmeticians pursuant to chapter 368 or 387 that submits an  
271 application for initial authorization shall pay an application fee of five  
272 hundred dollars made payable to the private occupational school  
273 student protection account. The executive director of the Office of  
274 Higher Education shall develop a process for prioritizing the  
275 authorization of such barber and hairdressing programs, schools and  
276 entities. Such programs, schools and entities shall be in compliance  
277 with this section on or before July 1, 2015, or when required pursuant  
278 to the executive director's process, whichever is earlier. No person,  
279 board, association, partnership corporation, limited liability company  
280 or other entity shall establish a new program, school or other entity  
281 that offers instruction in any form or manner in barbering or  
282 hairdressing on or after July 1, 2013, unless such person, board,

283 association, partnership, corporation, limited liability company or  
284 other entity first receives from the executive director of the Office of  
285 Higher Education a certificate authorizing the barbering or  
286 hairdressing occupational instruction to be offered in accordance with  
287 the provisions of this section.

288 Sec. 6. Subsection (d) of section 10a-22c of the general statutes is  
289 repealed and the following is substituted in lieu thereof (*Effective July*  
290 *1, 2015*):

291 (d) No certificate to operate a new private occupational school shall  
292 be issued by the executive director pursuant to section 10a-22d until  
293 such private occupational school seeking authorization files with the  
294 executive director an irrevocable letter of credit issued by a bank with  
295 its main office or branch located within this state in the penal amount  
296 of forty thousand dollars guaranteeing the payments required of the  
297 school to the private occupational school student protection account in  
298 accordance with the provisions of section 10a-22u. The letter of credit  
299 shall be payable to the private occupational school student protection  
300 account in the event that such school fails to make payments to the  
301 account as provided in subsection (a) of section 10a-22u or in the event  
302 the state takes action to reimburse the account for a tuition refund paid  
303 to a student pursuant to the provisions of section 10a-22v, provided  
304 the amount of the letter of credit to be paid into the private  
305 occupational school student protection account shall not exceed the  
306 amounts owed to the account. In the event a private occupational  
307 school fails to close in accordance with the provisions of section 10a-  
308 22m, as amended by this act, the executive director may seize the letter  
309 of credit, which shall be made payable to the private occupational  
310 school student protection account. The letter of credit required by this  
311 subsection shall be released twelve years after the date of initial  
312 approval, provided evidence of fiscal soundness has been verified.

313 Sec. 7. Section 10a-22m of the general statutes is amended by adding  
314 subsections (d) and (e) as follows (*Effective July 1, 2015*):

315 (NEW) (d) In the event a private occupational school fails to meet  
 316 the requirements set forth in subsection (a) of this section and closes  
 317 prior to graduating all current students, the executive director may  
 318 seize the letter of credit filed by the private occupational school  
 319 pursuant to subsection (d) of section 10a-22c, as amended by this act,  
 320 and such letter of credit shall be made payable to the private  
 321 occupational school student protection account. The executive director  
 322 may expend funds from the private occupational school student  
 323 protection account as necessary to facilitate a teach-out of any  
 324 remaining students up to and including the issuance of a certificate of  
 325 completion pursuant to subsection (e) of this section. For purposes of  
 326 this subsection and subsection (e) of this section, (1) "teach-out" means  
 327 the completion of instruction of a course or program of study in which  
 328 a student was enrolled, provided the teach-out includes instruction of  
 329 the entire program of study when a course is a part of such program of  
 330 study, and (2) "certificate of completion" means the credential,  
 331 documented in writing, that is issued to a student who completes a  
 332 course or program of study offered by a private occupational school.

333 (NEW) (e) In the event of a private occupational school closure that  
 334 fails to meet the requirements set forth in subsection (a) of this section,  
 335 the executive director may issue a certificate of completion to each  
 336 student it determines has successfully completed such student's course  
 337 or program of study in which such student was enrolled at such  
 338 private occupational school.

This act shall take effect as follows and shall amend the following sections:		
Section 1	July 1, 2015	10a-22b
Sec. 2	July 1, 2015	10a-22d(c)
Sec. 3	July 1, 2015	10a-22g(a)
Sec. 4	July 1, 2015	10a-22a
Sec. 5	July 1, 2015	10a-22b(h) and (i)
Sec. 6	July 1, 2015	10a-22c(d)
Sec. 7	July 1, 2015	10a-22m

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

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### **OFA Fiscal Note**

#### **State Impact:**

<b>Agency Affected</b>	<b>Fund-Effect</b>	<b>FY 16 \$</b>	<b>FY 17 \$</b>
Higher Ed., Off.	Private Occupational School Student Protection Acc - Cost	850	850

**Municipal Impact:** None

#### **Explanation**

The bill allows the Office of Higher Education (OHE) to compensate individuals who serve on its occupational school evaluation teams at the executive director's discretion. Current law prohibits team members from receiving compensation for their services.

In FY 14 there were 17 evaluators. It is anticipated that each evaluator would be paid \$50, resulting in a cost to the Private Occupational School Student Protection Account (POSA) of approximately \$850 per year. The balance of the POSA account is approximately \$5.7 million.

The bill also requires private occupational schools to meet additional application and evaluation requirements, which are not anticipated to result in a fiscal impact.

House "A" conforms state law to federal regulations by defining private occupational schools as postsecondary career schools. It also (1) specifies that private occupational schools include hospital-based occupational schools, hairdressing schools, and barber schools and (2)

makes conforming changes, none of which are anticipated to result in a fiscal impact.

***The Out Years***

The annualized ongoing fiscal impact identified above would continue into the future subject to the per diem rate and the number of evaluators.

**OLR Bill Analysis****sHB 6767 (as amended by House "A")\******AN ACT CONCERNING THE APPROVAL AND AUTHORIZATION OF PRIVATE OCCUPATIONAL SCHOOLS.*****SUMMARY:**

This bill makes various changes to laws on private occupational schools. Under existing law, private occupational schools are privately controlled schools that offer instruction in trades or industrial, commercial, professional, service, or other occupations for remuneration. Such schools are regulated by the Office of Higher Education (OHE).

Specifically, the bill:

1. requires any entity that wishes to offer instruction through a private occupational school or establish new school branches to meet additional application and evaluation requirements;
2. allows OHE to compensate, at the executive director's discretion, individuals who serve on its occupational school evaluation teams, which is prohibited under current law (see BACKGROUND);
3. conforms state law to federal regulations by defining private occupational schools as "postsecondary career schools," (i.e., institutions authorized to operate educational programs beyond secondary education);
4. specifies that private occupational schools include hospital-based occupational schools, hairdressing schools, and barber schools;

5. allows OHE's executive director to seize a private occupational school's letter of credit, which must be payable to the private occupational school student protection account (see BACKGROUND) if the school (a) closes before graduating all current students and (b) does not meet statutory requirements for closing; and
6. allows OHE's executive director, in the event of a private occupational school's closure, to (a) spend student protection account funds to facilitate a "teach-out" of remaining students and (b) issue completion certificates to students who have completed their course of study.

The bill also makes several technical and conforming changes.

\*House Amendment "A" adds provisions about (1) the definition of private occupational school, (2) seizing a closed school's letter of credit, (3) teach-outs of remaining students in a closed school, and (4) certificates of completion for such students.

EFFECTIVE DATE: July 1, 2015

## **APPLICATION AND EVALUATION REQUIREMENTS**

The bill requires any entity that wishes to offer instruction through a private occupational school or establish new school branches to meet additional application and evaluation requirements. These new requirements affect the entity's initial application for authorization, subsequent authorization renewals, and evaluation process, which OHE oversees. By law, entities that may offer occupational instruction include a person, board, association, partnership, corporation, limited liability company, or other entity.

### ***Initial Authorization and Renewal***

Under the bill, any entity seeking initial authorization from OHE to offer occupational instruction must produce evidence of fiscal soundness specifically relating to the ability to meet rent or mortgage payment obligations. The law already requires evidence of fiscal

soundness relating to staff and student obligations to ensure the proposed school's ability to operate and achieve all of its objectives.

The bill also requires the entity to provide evidence to OHE that it is current on its rent and mortgage obligations in order for OHE to renew its certificate of authorization to operate.

### ***New Branch Establishment***

By law, a private occupational school that is authorized by OHE to operate must request authorization to open additional school branches or sites at least 30 days before establishing the new location. The bill increases the required request notice period to 60 days prior to establishment.

### ***Evaluation Process***

The law requires the OHE executive director to evaluate any private occupational school that applies for initial or renewal authorization to operate. The bill establishes a timeframe by which the executive director must appoint a team to evaluate a school: either (1) within 60 days of receiving its complete initial application for authorization or (2) 60 days before the expiration date of the school's current authorization certificate. By law, the executive director must notify an applicant about whether it has been authorized to operate within 120 days of evaluation team appointment.

The bill also reduces the amount of time a school has to demonstrate compliance with an evaluation team report for an initial or renewal authorization. By law, an evaluation team must submit a written report outlining evidence of noncompliance by the school, to which the school has 60 days to respond with evidence of compliance. The bill reduces the school response deadline to 30 days from the report date.

### ***TEACH-OUTS***

The bill allows the executive director to (1) spend funds from the private occupational school student protection account as needed to facilitate a "teach-out" of any remaining students and (2) issue



completion certificates to students whom the OHE executive director determines have successfully completed their course of study. Under current law, the account is used to provide tuition refunds to students who do not complete a course because of a school's insolvency or closure (see BACKGROUND).

The bill defines a “teach-out” as the completion of a course or program of study in which a student was enrolled. If the course is part of a program of study, then the teach-out must include the entire program. It defines “certificate of completion” as a written credential issued to a student who completes a course or program of study offered by a private occupational school.

By law, a private occupational school must provide at least 60 days' notice to the OHE executive director before closing. The school also must, among other things, provide evidence that all current students' coursework is or will be completed.

## **BACKGROUND**

### ***Evaluation Team Members***

By law, the OHE executive director must appoint an evaluation team that consists of at least (1) two members representing OHE and (2) one member who is an expert for each occupational instruction area for which the school seeks authorization (CGS § 10a-22b(f)).

### ***Letter of Credit***

By law, a private occupational school must file an irrevocable \$40,000 letter of credit, issued by a bank with its main office or branch in Connecticut, guaranteeing the school's payments to the private occupational school student protection account (CGS § 10a-22c).

### ***Student Protection Account***

This account is used to refund tuition to students unable to complete a course at a private occupational school because the school becomes insolvent or ceases operating. It is funded by (1) quarterly assessments on private occupational schools' tuition revenue received

from Connecticut students and (2) other fees related to the schools' operations (CGS § 10a-22u).

**COMMITTEE ACTION**

Higher Education and Employment Advancement Committee

Joint Favorable Substitute

Yea 17 Nay 0 (03/05/2015)